

## Message Text

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ACTION EA-10

INFO OCT-01 AF-06 ARA-06 EUR-12 ISO-00 FEA-01 ERDA-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07

FPC-01 H-01 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01

PM-03 SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03

PA-01 PRS-01 USIA-06 /113 W  
----- 124722

R 210549Z FEB 75

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 5123

INFO AMEMBASSY ATHENS

AMEMBASSY BONN

AMCONSUL BRISBANE

USMISSION EC BRUSSELS

AMCONSUL MELBOURNE

AMEMBASSY MONROVIA

USMISSION OECD PARIS

AMEMBASSY OSLO

AMEMBASSY PANAMA

AMCONSUL PERTH

AMEMBASSY STOCKHOLM

AMCONSUL SYDNEY

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

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E.O. 11652: N/A

TAGS: EWWT, ENRG, AS

SUBJ: GOA REQUIREMENT FOR 40 PERCENT OF

OIL IMPORTS IN AUSTRALIAN TANKERS

REF: (A) STATE 24492; (B) CANBERRA 497 NOTAL; (C) CANBERRA 360

NOTAL; (D) CANBERRA A-011 NOTAL

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1. SUMMARY: NO ADDITIONAL LEGISLATION PLANNED FOR

NEW GOA TANKER POLICY. CONFLICT WITH TRADE PRACTICES LAW STILL UNRESOLVED, AND OTHER POLICY DETAILS STILL TO BE WORKED OUT. NO OTHER EMBASSIES CONTACTED HAVE COMPLAINED TO GOA, BUT SOME MAY EVENTUALLY DO SO. EMBASSY RECOMMENDS USG MAKE REPRESENTATION TO REGISTER COMPLAINT. ACTION REQUESTED: DEPARTMENT'S ASSESSMENT OF WHETHER POLICY CONFLICTS WITH INVISIBLES CODE; CRITERIA USED BY OTHER COUNTRIES TO DETERMINE ELIGIBILITY OF SHIPS TO HAUL RESERVED CARGO; AND INDICATION OF WHETHER AND HOW USG REPRESENTATION MIGHT BE MADE. END SUMMARY.

2. EMBASSY OFFICER HAS DISCUSSED NEW GOA TANKER POLICY WITH SMITH, ASSISTANT SECRETARY, DEPT. OF TRANSPORT (DOT), CANBERRA. SMITH STATED THAT NO RPT NO LEGISLATION IS CONTEMPLATED OR REQUIRED (REF A, PARA 2) TO IMPLEMENT MINISTER JONES' OBJECTIVE OF RESERVING 40 PERCENT OF PETROLEUM AND REFINERY FEEDSTOCK IMPORTS FOR "AUSTRALIAN REGISTERED AND MANNED SHIPS OPERATED IN AUSTRALIAN-OWNED SHIPPING COMPANIES," WITH PRIVATE COMPANIES AND GOVERNMENT'S ANL SHARING THIS BUSINESS 50-50. IMPLEMENTATION IS "MATTER OF PERSUASION," ACCORDING TO SMITH, WHO ALSO CONCEDED THAT MANY DETAILS OF POLICY ARE YET TO BE WORKED OUT. (ONE SUCH "DETAIL" IS WHETHER POLICY REQUIREMENTS WOULD BE SATISFIED BY "BAREBOAT" CHARTERS OF FOREIGN-OWNED VESSELS BY AUSTRALIAN FIRMS, WHICH WOULD THEN MAN SHIPS WITH LOCAL CREWS BUT CANNOT LEGALLY REGISTER THEM UNDER AUST. FLAG. IN ANY CASE, SMITH DOUBTS THAT AUSSIE CREWMEN WOULD EVER AGREE TO SERVE ON FOREIGN FLAG VESSEL UNDER ANY FORESEEABLE CIRCUMSTANCE.) SMITH ALSO CONFIRMED RECENT PRESS REPORTS THAT JONES' PROPOSAL THAT SHIPPING COMPANIES GET TOGETHER AND DRAW UP COMMON PROPOSITION FOR ACHIEVING HIS 40 PERCENT OBJECTIVE DOES RUN AFOUL OF GOA'S NEW TRADE PRACTICES LAW. THIS LEGAL PROBLEM IS FAR FROM RESOLVED, AND ATTORNEY-GENERAL'S DEPT. AND DOT ARE STILL CONSIDERING WAYS TO GET AROUND IT, WHILE COMPANIES SAY THEY WILL NOT GET TOGETHER UNTIL SOLUTION IS WORKED OUT. SMITH EMPHASIZED HE DOES NOT THINK THIS PROBLEM WILL DELAY JONES' TIMETABLE FOR IMPLEMENTATION BY END LIMITED OFFICIAL USE

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OF 1976.

3. EMBASSY HAS ALSO QUERIED OTHER MISSIONS CONCERNED (BRITISH, NORWEGIAN, SWEDISH, WEST GERMAN, GREEK AND JAPANESE) TO ASCERTAIN WHETHER THEY FEEL THEIR INTERESTS ARE AFFECTED BY NEW POLICY AND WHETHER THEY HAVE VOICED COMPLAINT TO GOA (REF A, PARA 2). GREEK CHARGE COULD MAKE NO COMMENT AND ASKED FOR SEVERAL DAYS TO CHECK OUT

SITUATION. JAPANESE SHEEPISHLY ADMITTED GOJ IN "WEAK POSITION" (I.E. JAPAN ALREADY RESERVES EVEN MORE THAN AUSSIES PROPOSE TO RESERVE) AND WILL NOT COMPLAIN. CONSENSUS EXPRESSED BY OTHER FOUR IS THAT THEIR GOVERNMENTS ARE ALL CONCERNED BUT HAVE NOT YET COMPLAINED, ALTHOUGH THIS REMAINS POSSIBILITY. ALL AGREED THAT NEW POLICY WOULD PROBABLY CONTRAVENE OECD INVISIBLES CODE. ONE REASON FOR LACK OF ACTION IS UNANIMOUS SKEPTICISM THAT POLICY ACTUALLY WILL BE IMPLEMENTED BY END OF 1976 BECAUSE OF HIGH COST TO GOA, INDUSTRY AND CONSUMERS.

4. FOLLOWING RECEIPT REF A, EMBOFF DISCUSSED SITUATION WITH JOHNSON, CALTEX AUSTRALIAN CHAIRMAN. HOHNSON RECOGNIZED USG MUST OPPOSE POLICY IN PRINCIPLE BUT STATED HIS IMMEDIATE OBJECTIVE IS NOT TO HAVE POLICY RESCINDED BUT TO HAVE CALTEX INCLUDED ON GOA'S LIST OF AUST. FIRMS ELIGIBLE TO SHIP THE RESERVED 40 PERCENT. JOHNSON CONCEDED HIS PROSPECTS LOOK VERY DIM, BUT HE DOES NOT SEEK EMBASSY INTERVENTION ON THIS POINT.

5. EMBASSY COMMENT: AS MATTER OF PRINCIPLE, EMBASSY BELIEVES WE SHOULD MAKE A LOW-KEY REPRESENTATION TO GOA DRAWING ON REF (A) PARAS 3 AND 4, TO REGISTER COMPLAINT ABOUT NEW POLICY. IT IS DIFFICULT TO ASSESS DEGREE OF DISADVANTAGE US FIRMS WILL SUFFER IF POLICY IS IMPLEMENTED, SINCE PRESENT OIL IMPORTS ARE CARRIED IN AN EVER-CHANGING MIX OF OIL COMPANY-OWNED VESSELS AND FLAGS OF CONVENIENCE TANKERS. NEVERTHELESS, TOTAL U.S. SILENCE AT THIS STAGE MIGHT ENCOURAGE ADDITIONAL GOA RESTRICTIVE SHIPPLING POLICIESBMM RECENTLY GOA HAS BECOME INCREASINGLY PROTECTIONIST IN TRADE AND INVESTMENT AREAS. IF NEW TANKER POLICY DOES CONTRAVENE GOA OBLIGATIONS LIMITED OFFICIAL USE

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UNDER OECD INVISIBLES CODE, EMBASSY BELIEVES IT IS IMPORTANT THAT USG BE CLEARLY ON RECORD AS HAVING EXPRESSED THIS VIEW TO GOA.

6. ACTION REQUESTED: EMBASSY WOULD APPRECIATE:  
(A) HAVING DEPARTMENT'S ASSISSMENT OF WHETHER NEW GOA TANKER POLICY CONFLICTS WITH INVISIBLES CODE; (B) KNOWING CRITERIA E.G. FLAG ONLY OR FLAG PLUS NATIONALITY OF SHIP OWNERS USED BY COUNTRIES LISTED IN REF (A) PARA 5 TO DETERMINE ELIGIBILITY OF SHIPS TO PARTICIPATE IN RESERVED CARGO TRADE; AND (C) HAVING INDICATION OF WHETHER AND HOW DEPARTMENT MIGHT WANT TO MAKE REPRESENTATION TO GOA ON THIS MATTER.  
HARROP

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MARITIME LAW, PETROLEUM TRANSPORTATION, CARGO SHIPS, IMPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975CANBER01170  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 24492, 75 CANBERRA 497, 75 CANBERRA 360  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <22 APR 2003 by ShawDG>; APPROVED <23 APR 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOA REQUIREMENT FOR 40 PERCENT OF OIL IMPORTS IN AUSTRALIAN TANKERS  
**TAGS:** EWWT, ENRG, AS  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006